countries are not maintained by the Government, and therefore, it is not possible to comment on whether indirect tax rates in India are the highest.

(c) Indirect taxes are paid by the manufacturers or service providers and ultimately borne by the consumer. It is not possible to prescribe schemes which will lesson the tax burden exclusively on the poor people. However, Small Scale/tiny units having annual turnover of Rs.4 crore can avail excise duty exemption on first clearance of Rs. one crore under SSI Exemption Scheme and in case of small scale service tax provider, there is threshold limit of Rs.4 lakh for service tax exemption.

Non-spending of budget allocation by ministries

2275. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per the latest figures available with Comptroller General of Accounts (CGA), many Ministries have not spend the budget allocated to them in the Plan expenditure for the year 2005-06; and

(b) if so, the action Government propose to take to encourage the Ministries to spend the entire amount of allocated funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Against the provision of Rs. 1,43,497 crore for Plan expenditure in BE 2005-06, the actual expenditure by all Ministries/Departments of Central Government upto January, 2006 is Rs. 1,01,356 crore, which works out to 71 % of provision made in BE 2005-06. The Comparative position upto January 2005 was Rs.89,147 crore which was 61% of BE 2004-05. As the current financial year 2005-06 is yet to be completed, it is early to draw any conclusion from the pace of expenditure upto January, 2006. The trends in the Central Government finances are closely monitored and appropriate measures are taken in the light of emerging trends as and when necessary.

Withdrawal of guarantee on LIC policies

2276. SHRIS. S.AHLUWALIA:
SHRI B. K. HARIPRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether the private life insurance sector has complained to IRDA that Government guarantee on more than 16 crore policies sold by LIC has created a bias for LIC policies among the public;

(b) whether Government propose to withdraw its guarantee on LIC policies in view of LIC having met the IRDA's solvency margin last year;

(c) whether the withdrawal of Government guarantee on LIC policies require an amendment to the LIC Act; and

(d) whether such withdrawal of Government guarantee on LIC policies will change the character of security of existing policies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir.

(c) and (b) Do not arise.

Requirement of cash withdrawal reporting by Banks

2277. SHRI B. K. HARIPRASAD: Will the Ministries of FINANCE be pleased to state:

(a) whether cash withdrawals from current accounts in Banks mostly become a part of the black economy and if so, whether to establish the trail such transactions lead to, Government have imposed cash withdrawal tax;

(b) whether most of the Public Sector Banks, Regional Rural Banks and Banks in private sector/co-operative sector are complying with the requirements of reporting such transactions to the Income Tax Department; and

(c) whether most of Regional Rural Banks are lagging behind in complying with the requirement of cash withdrawal reporting?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The Finance Minister, *vide* Para 177 of his Budget Speech, 2005-06 has stated the large cash withdrawals, made without any ostensible purpose, and which leave no trail presumably become part of the black economy. Hence, with a view to keep a track of large cash withdrawals, the Banking Cash Transaction Tax has been imposed.

(b) Yes, Sir.

(c) A number of Regional Rural Banks have not complied with the requirement of cash withdrawal reporting.